**Investment of provident fund into stocks**

778. SHRI AMAR SINGH:
SHRI HARISH RAWAT:
SHRI SANTOSH BAGRODIA:
SHRI ABU ASIM AZMI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to invest 5 per cent of provident funds into stocks;

(b) if so, the reasons therefor and the details thereof;

(c) whether it is also a fact that the governing body of EPF has opposed such move; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (d) The pattern of investment was revised in January, 2005 with a view to providing wider avenues for investment by non-government provident funds, superannuation funds and gratuity funds. As per the revised pattern, an amount upto 5% of the total portfolio has been allowed to be invested in shares of those companies that have an investment grade debt rating from two credit rating agencies.

There is no compulsion to invest in stock market as per this pattern. Investment decisions are taken by trustees of each fund based on their assessment of risk-return trade-off, and not by the Government.

(c) and (d) The recommendations of the Central Board of Trustees (CBT) of the Employees' Provident Fund Organization (EPFO) regarding the pattern of investment, are yet to be received by Government.

**Regulation over loans provided by banks**

779. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether banks, including foreign banks operating in the country extend various types of loans to their clients;